AMERICAN FEDERATION OF LABOR

WEEKLY NEWS SERVICE

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WHOLE NO. 1243 — WILLIAM GREEN, President — WASHINGTON, D. C., SATURDAY, FEBRUARY 9, 1935 — FRANK MORRISON, Secretary — VOL. 25, NO. 6

The best use we can make of good fortune is to share it with our fellows.—Cicero.

Editorials

An Unimportant Objection

The 30-hour week for the building trades will be strenuously opposed by organized employers and manufacturers in the industry, according to an article by M. L. Matthews in the current Dow Service Building Reports. He claims it would add from 10 to 15 per cent to the present cost of building. Suppose it does. What of it?

Objectors of the Matthews type to the 30-hour week seemingly ignore the fact that there are over ten million workers in the unemployed army. Government figures show that 25 per cent of the workers usually employed in the building industry have been forced on relief rolls. Month after month has gone by without private industry cooperating with the government to make any reduction in this multitude of the jobless. The 30-hour week applied to all industry would put millions of these jobless to work at wages sufficient to provide a fair living for themselves and their families. It is the only generally effective solution of the unemployment problem. It is just as essential in the building trades as in any other industry. If profiteering price boosters advance the price of housing beyond the limits fixed by the ethics of the New Deal, that will constitute a problem which will undoubtedly be strictly dealt with. But regardless of whether price of housing go up or not because of the 30-hour week is an unimportant question. The supreme need of the hour, if our economic system is to function in the interest of all the people, is to abolish the unemployed army with employment. The 30-hour week, compulsory for all industry, will be a long step toward this goal.

Success of Securities Law

The continued wail of certain corporation executives, investment bankers, and Wall Street speculators that the enactment of the Federal Securities Law in 1933 practically banned the sale of legitimate stocks and bonds of private corporations is entirely unwarranted by the report of the Federal Securities Commission giving the registration statements which the commission has accepted.

The law requires that publicity material issued by corporations to induce people to buy their securities shall tell the exact truth regarding both the corporation and the securities which they desire to sell. The law is very explicit in prohibiting weasel phrases intended either directly or indirectly to deceive investors.

The Commission reports that up to December 31, 1934, it had accepted statements from 896 corporations for the issuance of stocks and bonds totaling $1,358,648,108.89. The Commission, of course, does not sponsor the issuance of the securities. But by accepting the registration statements of the issuing corportions the Commission declares that nothing untruthful was found in the statements.

If this law had been in effect during 1929 and previous years, corporation officials and investment bankers in league with the New York Stock Exchange would have been checked in their nationwide racketeering campaigns to unload hundreds of millions of dollars of fraudulent and semi-fraudulent securities on uninformed investors, many of whom were farmers and wage salary earners who were persuaded to transfer their savings to these ruthless plunderbunders for stocks and bonds which ultimately, in many instances, turned out not to be worth the paper on which they were printed.

When Wall Street speculators unlimber epithets of condemnation against Federal or State legislation curbing their activities, it is quite safe to assume that such legislation is wholly in the public interest.

COUNCIL PROPOSES ELIMINATION OF FURTHER WAGE PAYMENTS IN SCRIPT

NRA Advisory Council Also Suggests Outlawing Trading At Company Store And Renting Company House As A Condition Of Employment.

By A. F. of L. News Service.

Washington.—Solution of the scrip problem by prohibiting the use of scrip in payment of wages has been recommended by the NRA Advisory Council to the National Industrial Recovery Board. The recommendation code is now before the Board, and an early announcement of policy is anticipated.

The code for the textile trade includes provisions strictly regulating the use of scrip and the operation of company stores. These provisions were stayed and have continued inoperative. A committee of three, appointed by the NRA, studied the scrip problem and submitted a report with recommendations on November 16, 1934.

Both the Advisory Council and the committee found that the best approach to the scrip problem was through the codes of industries making payment of wages in scrip, as has been done in the code for the bituminous coal industry.

The Advisory Council suggested provisions for inclusion in codes for scrip-lumber industries, namely, the lumber, steel and textile codes as "the most important needing such action."

The recommendations include, in addition to rules for wage payments in cash or negotiable checks and provisions for cashing them at face value, exemption of wages from deductions except voluntary payments for pensions, insurance, or sick benefits, and those required by state law. Further recommendations are that no employer shall withhold wages, accept rebates, or require that employees trade at a specified store or rent a specified house.

The text of the Advisory Council's recommendation follows:

"The Council believes that elimination of the scrip problem would best be dealt with in the codes for industries making payment of wages in scrip, as has been done in the bituminous coal code. Among the most important needing such action are the lumber, steel and the textile codes, through provision along the lines suggested in the following draft:

"1. Each employer shall make payment of all wages due at the end of each week in lawful currency or by negotiable demand check. If checks are given, the employer shall provide reasonably accessible facilities for cashing checks at face value without expense to the employee. Employers shall also provide such identification as is necessary to utilize such facilities.

2. These wages shall be exempt from any charges, fines, or deductions, except payments for pensions, insurance or sick benefits which are voluntarily paid by the wage earners or required by state law. No employer shall withhold wages. Employers or their agents shall not accept directly or indirectly rebates on wages or salaries nor give anything of value or extend any favors to any person for the purpose of influencing rates of wages or working conditions of their employees.

"3. No employer shall be required as a condition of employment to trade at a store or to rent a home specified by the employers.

"The action taken could be through voluntary amendments after public hearings for individual codes."

INDUSTRIAL ADVISORY BOARD PERSONNEL IS ANNOUNCED

By A. F. of L. News Service.

Washington.—R. Douglas Stuart, first vice president, Quaker Oats Company, Chicago, Ill., has been elected chairman of the Industrial Advisory Board, succeeding George H. Mead, who resigned, effective January 1, 1935.

W. P. Witherow, president, Steel Products Company, Pittsburgh, Pa., a resident director of the Industrial Advisory Board, has been elected vice chairman of the board, effective January 1, 1935.

The Industrial Advisory Board is equivalent for industry to the Labor Advisory Board for labor.

The complete membership of the board follows:

R. Douglas Stuart, chairman, first vice president, Quaker Oats Company, Chicago; Henry S. Dennison, president, Dennison Manufacturing Company, Framingham, Mass.; Law Hahn, New York; Roland J. Hamilton, president, American Radiator and Standard Sanitary Corporation, New York; Henry I. Harriman, president, U. S. Chamber of Commerce, Washington; George H. Houston, president, Baldwin Locomotive Works, Philadelphia; Demetrius Kountes, chairman of board, De Vos & Raynolds Company, Inc., New York; Morris E. Leeds, president, Leeds & Northrup, Philadelphia; George H. Mead, president, G. H. Mead Company, Dayton, Ohio; Malcolm Muir, president, McGraw-Hill Publishing Company, New York; Rivers Peterson, Indianapolis (representing Service Goods Committee); George A. Sloan, New York (representing Consumers Goods Committee); Harold C. Smith, president, Illinois Tool Works, Chicago; Myron C. Taylor, chairman of board, U. S. Steel Corporation, New York; and Sidney J. Weinberg, of Goldman-Sachs & Company, New York.

Resident directors include:

W. P. Witherow, vice chairman of Industrial Advisory Board, president, Steel Products Company, Pittsburgh; Rudolph S. Rauch, director, R. F. Goodrich Company, Akron; Frederick Sthegard, of Finch, Van Slyck & McConville, St. Paul, Minn.

FLAT GLASS WORKERS WIN AT PITTSBURGH

By A. F. of L. News Service.

Pittsburg, Pa.—According to an announcement of George W. McCabe, the Federation of Flat Glass Workers of America, has won their strike against the Pittsburgh Plate Glass Company and the men have returned to work.

A new agreement, recognizing the union and granting union conditions, along with a 5 per cent pay increase, is to remain in effect until next November.

Employment and Relief Both Gain; Over Fifth of Union Men Without Work

A. F. of L. Survey Of Unemployment Shows Little Change During Year; 11,329,000 Now Need Employment.

By A. F. of L. News Service.

Washington.—"Employment gained slightly in December, according to the Federation unemployment estimate," according to William Green, president of the American Federation of Labor.

"In spite of this gain, however, the number of persons on relief is increasing. Reports from 141 of our largest cities show 4 per cent more persons on relief in December than November, although unemployment in the country as a whole decreased by 71,000.

"The fact points to the exhaustion of resources among the unemployed, many of whom have now been without regular work for three, four or even five years.

"Although employment will probably increase further in the spring season just ahead, there is no prospect that industrial gains will be enough to employ more than a small portion of the 11,329,000 now without work.

"Our revised unemployment figure for November shows 11,400,-000 out of work at that time and in December unemployment decreased to 11,329,000. In December last year 11,323,000 were out of work, so that at the end of 1934 unemployment was at practically the same level as at the end of 1933.

"The decrease in unemployment in December this year was due largely to two facts: Christmas trade was unexpectedly good, better than in any year since 1931, creating over 200,000 jobs temporarily at least, in retail stores; in factories increased production of automobiles and of steel and machine tools to supply the automobile industry reemployed a large number, as did also activity in textiles, and boots and shoes, so that jobs in factories were increased by more than 100,000. These gains more than offset the seasonal layoffs in building (12,-000), farms (25,000), railroads (18,-000), and other industries.

"Trade union reports for the first part of January indicate that this improvement in employment is probably continuing. December, reports from unions in 24 cities showed 21.2 per cent of the membership unemployed (weighted figure, revised) compared to 20.9 per cent in the first part of January. Gains in employment in theaters, railroads and manufacturing, which are not usual at this time of year, reduced unemployment slightly but left a small proportion of the membership back to work.

For those without normal work in industry, emergency government work was provided in the month of December as follows: PWA, 376,009; CCC, 321,532. In addition, an average of 1,643,876 had work relief during the month on the ERA work program. In November, the last month for which we have complete figures, there were 5,004,000 cases including 19,018,-000 persons, on relief (including both straight relief and ERA work program). The cost to the government for wages and relief alone for the month of December was: PWA, $34,083,000; CCC: $34,083,000; relief, $172,800,000; making a total of $206,883,000.

Government Report

The report of the Bureau of Statistics, U. S. Department of Labor, says:

"Factory employment and pay rolls increased from November to December. The usual seasonal movement is contrary to the movement shown in 12 of the 15 preceding years. Declines in pay rolls in December have been shown in 8 of the 15 preceding years.

"Employment increased 1.7 per cent from November to December and pay rolls increased 6.2 per cent. Forty-four of the 90 manufacturing industries surveyed reported gains in employment in December, and 62 industries reported increased pay rolls. Industries of major importance in which gains in both employment and pay rolls were reported in December were: automobile, blast furnaces, steel works-rolling mills, foundries and machine shops, machine tools, hardware, woolen, cotton, silk, dyeing and finishing textiles, and boots and shoes.

"The Bureau of Labor Statistics' index of factory employment for December, 1934, is 78.1 (preliminary) and the index of factory weekly pay rolls is 63.2 (preliminary). The level of employment in December, 1934, was 5 per cent above the level of the December, 1933, index (74.4) and pay rolls were 16 per cent above the level of December, 1933, index (54.5). The base used in computing these indexes is the average for the 3-year period, 1923-1925, which is taken as 100."

SOCIAL SECURITY UP IN 43 STATES

By A. F. of L. News Service.

New York.—According to a survey conducted by the American Association for Social Security, 43 state legislatures are now considering and acting upon matters relating to social security.

It is stated that over 300 bills have been introduced in the various state legislatures and thirty-three governors of states have made favorable recommendations concerning social security measures.

FRANK MORRISON IS TREASURER PRO TEM

The Executive Council of the American Federation of Labor, meeting in Washington, has named Secretary Frank Morrison as treasurer pro tem, to fill out the unexpired term of the late treasurer, Martin F. Ryan.

The Executive Council will recommend to the next annual convention of the Federation that the office of treasurer be combined with that of secretary.

This would make the official number of members of the Executive Council seventeen, as at present: the president, the secretary-treasurer and fifteen vice presidents. The present official title of Mr. Morrison is secretary and treasurer pro tem.

URGE TAX FOR WATER IN UTILITY SECURITIES

By A. F. of L. News Service.

High taxation, direct statutory inhibitions, and a compulsory Federal licensing act are included in the remedies recommended by the Federal Trade Commission for the evils with which holding companies have saturated the public utility industry. The commission made its recommendations public after a six-year investigation, authorized by Congress, of gas and electric companies.

Prudent Cost Is Test

To reach watered securities by the tax weapon the Commission proposed an annual tax graduated sharply upward on the actual amount or par face amount, whichever is larger, of securities issued, including long-term bonds, **in excess of the actual prudent cost of the fixed capital plus working capital of each utility operating corporation,** with the proviso that for each holding company the tax shall apply to the aggregate of all of its issues in excess of its owned share in the fixed capital of its several subsidiaries and juniors.

Watered Stock Sale Illegal

Realising from its exhaustive investigation of the questionable practices of utility executives that their strong line of unique in evading legislation and regulation might enable them to get around the tax weapon, the Commission also recommends the use of prohibitory law to meet the watered stock evil.

It urges Congress to "declare unlawful the issue of securities by any utility holding or operating corporation subject to Federal jurisdiction, or the sale and transportation thereof by such corporation in interstate commerce, and deny the use of the mails, if the amount of all the securities of such corporation exceeds the amount actually and prudently invested in the physical properties of the included operating utilities."

If this Federal legislation had been in effect during the period from 1920 to 1930, the light and power magnates in cooperation with the bankers would have been unable to have foisted on an uninformed public hundreds of millions of dollars in watered stock which now is worth relatively nothing.

UNITED STATES BONDS ADVANCE TO NEW HIGHS

By A. F. of L. News Service.

New York.—The American Liberty League, financially sponsored by the Dupont interests, recently under fire from the Senate Munitions Investigating Committee, continues to issue its attacks against the unbalanced budget of the Roosevelt Administration, and propagandists of unpatriotic elements keep up their attacks on the proposed enlargement of the public debt by a few billions of dollars to provide work for millions of jobless.

But in spite of all of these attempts to destroy the confidence of investors in the financial policies of the Administration, the Associated Press in a dispatch from New York declares that virtually every issue of obligations of the United States Government "established highs not matched in a year or more."

Evidently people who are looking for an absolutely safe place for their investments pay but little attention to the subversive wails of the Old Dealers who persistently bar the doors of employment to over ten million able-bodied adults and thus compel the Government to use both increased taxation and bond issues to relieve the destitute with jobs and wages.

HEARINGS CONTINUE ON 30-HOUR WEEK BILL

Hearings before a sub-committee of the U. S. Senate Committee on the Judiciary, headed by Senator M. M. Neely, of West Virginia, on the Wagner 30-hour work week bill are continuing and are being followed eagerly by an aroused public.

Sensational statements by labor officials, including William Green, John L. Lewis, Harry C. Bates, and others, concerning the activities of certain reactionary individuals who have worked themselves into key positions in the Administration and now cleverly serve the interests of "big business," as exposed by such as Donald R. Richberg, S. Clay Williams and Dr. Leo Wolman, is resulting in facts becoming known that have long been concealed to the general public.

When the hearings are concluded and all facts understood, labor is confident that the proposed 30-hour work week bill will be adopted by Congress.

TO RECOMMEND NRA CONTINUANCE 2 YEARS

By A. F. of L. News Service.

Washington.—Following a conference of Congressional leaders with President Roosevelt, it was indicated that the President will ask Congress to renew the National Industrial Recovery Act, "with only a few minor changes," for a period of two years from its date of expiration, which is next June 16.

Members of the Executive Council of the American Federation of Labor held an extended conference with Francis Perkins, Secretary of Labor, February 6, in which they are reported to have discussed labor's attitude toward the NRA, along with a number of other subjects, including proposed social security measures.

Organized labor favors continuance of the NRA, with needed changes to meet present conditions and with certain improvements which have been publicly suggested. "Big business," as represented by the Chamber of Commerce of the U. S. and the National Association of Manufacturers, has been trying to prevail upon the President to take the "teeth" out of the NRA, giving business full control, and to continue it upon that basis. Renewal of the Act is expected before its expiration date.

MICHIGAN FEDERATION CONVENTION FEBRUARY 12

Governor Names President Frank B. Wade As Commissioner of Labor and Industry For State.

By A. F. of L. News Service.

Lansing, Mich.—The Michigan State Federation of Labor will meet in annual convention here, February 12 when delegates from numerous central labor bodies and local unions will consider many matters affecting the welfare of all. Social security and the situation in the automobile industry are among subjects to be discussed.

Governor Fitzgerald has appointed Frank B. Wade, president of the Michigan State Federation of Labor, to be a member of his cabinet as Commissioner of Labor and Industry for the State of Michigan. Mr. Wade is regarded as an outstanding labor man of practical knowledge and proven ability, whose appointment to this important position is heralded as a progressive move.

GARMENT WORKERS IN CHICAGO MAY STRIKE

By A. F. of L. News Service.

Chicago.—A strike of 10,000 members of the International Ladies' Garment Workers' Union in the Chicago district is now regarded as a possibility, following approval by vote of the membership.

Sam Glassman, union representative, says that employers have refused to confer with the union concerning a proposed new agreement. Herman Koreck, speaking for employers, used the "closed shop" clause of the proposed contract as an excuse for refusing to negotiate.

NO CIGARETTE CODE; STRIKE MAY DEVELOP

By A. F. of L. News Service.

Washington.—Organized labor has entered definite protests against further delay in adopting a suitable code for the cigarette industry, which has long been fought by the "big four," of which there are 170 with many thousands of members, are not participating in this widely heralded movement. Nor do those unless one to participate in any decision or action, or is governed by any declaration or action, of the Automobile Labor Board as now constituted. Due notice to this effect was officially given.

Due notice was also given by the automobile workers affiliated with the A. F. of L., through President Green, of the withdrawal of the automobile workers from the temporary agreement entered into in good faith last spring, in the hope that a sincere effort would be made to properly adjust the grievances of automobile workers.

While the alleged "election" is being pushed by Dr. Wolman, many of the workers are ignoring instructions of officials and "voting" for A. F. of L. affiliation, the number running from 5 per cent to 10 per cent of the total. Most of the workers are voting merely as "unaffiliated." Officials say that, at the proper time, it will be a very easy matter for automobile workers to demonstrate membership with legitimate labor unions affiliated with the American Federation of Labor.

No Strike Authorized

Talk of a strike of automobile workers is premature. No such strike has been authorized and it is stated none has been definitely contemplated. Such an event is not an impossibility, of course.

The A. F. of L. Executive Council unanimously voted to call in a body on President Roosevelt, to explain labor's views on the automobile code and on other NRA matters as well as certain proposed labor legislation. Prior to this conference, President Green intimated that it was his intention to tell the President that he is still regarded as labor's "hope and strength," but that he is "surrounded by advisers who are out of sympathy with labor."

An petition has been filed with the National Labor Relations Board by legal counsel, on behalf of 170 local unions of automobile workers affiliated with the A. F. of L. This petition asks that the NLRB declare the alleged "elections" now being held in automobile centers under auspices of the so-called Automobile Labor Board, "illegal, without warrant of law, void and of no effect."

Workers' Meeting February 23

Arrangements have been completed for a speaking tour of the automobile centers by William Green, president of the A. F. of L. The first of the address will be delivered in Cleveland, Ohio, February 17. The tour will include other cities and a different communities in a period of eight days.

A general conference of automobile workers has been called for Detroit, to be held February 23. President Green will conclude his speaking tour in Detroit on this date.

While there have been statements made in the press that this conference was called to "approve a general strike" in the automobile industry, labor officials point out that this is positively not the case. The conference is to consider several matters of vital interest to automobile workers. What action this conference may take determine upon cannot possibly be foretold by anyone.

Extension of Automobile Code Stirs Up Smouldering Fire of Resentment Against NRA Executives

Donald R. Richberg, S. Clay Williams and Dr. Leo Wolman Believed By Many To Be Willing Tools Of 'Big Business' and Their Attitude and Conduct Inimical To the Public Welfare.

By A. F. of L. News Service.

Washington.—The unwarranted and unjustified, if not indeed autocratic, extension of the NRA code for the automobile industry, for four and a half months, to June 16, 1935, without the consent or approval of labor and without consulting responsible labor officials, together with the disgraceful situation within the steel, textile and clothing industries, is believed by many to have resulted in stirring up smouldering fires of resentment against certain NRA executives.

The executives particularly involved include Donald R. Richberg, director of the National Emergency Council; S. Clay Williams, chairman of the National Industrial Recovery Board, and Dr. Leo Wolman, chairman of the Automobile Labor Board.

Those who attended conferences with the President, concerning extension of automobile code, included: Richberg, Williams, Walter P. Chrysler, head of the Chrysler Corporation, and Alfred P. Sloan, Jr., chairman of the board of General Motors Corporation. Labor was not represented at any of these conferences and it is also stated that labor was not consulted in the matter in any manner.

The automobile code as it now stands has been definitely rejected by the American Federation of Labor.

This is the third time that the automobile code has been extended, containing on each occasion provisions permitting "proportional representation," the extremely objectionable "merit clause" and several other features regarded by labor as unfair and unjust.

Two Meaningless Changes

In announcing the extension of the code to June 16, President Roosevelt stated that two amendments: One calls for an agreement among auto makers to hold auto shows and to bring out new models in August instead of in January. Another provides for payment of "time and a half" for overtime in excess of 48 hours per week. It was also announced as a condition that the auto makers shall "abide by" labor board provisions of a temporary agreement reached in order to avoid a strike of automobile workers last spring, this agreement having since been repudiated, after due notice, by labor.

The two changes referred to are not expected to bring about any improvement whatever, in actual practice, from the labor viewpoint.

It has been pointed out that 'big business,' of which the big automobile concerns might be cited as typical examples, have always been able to straddle issues and get their own way and it is generally believed they will do so in this instance as before.

A. F. of L. Not Voting

Manufacturers and others have apparently been able to confuse the public mind concerning an alleged "election" being conducted in several automobile plants, supervised by the pro-employer Automobile Labor Board, headed by Dr. Leo Wolman.

The various local unions of automobile workers affiliated with the American Federation of Labor, of which there are 170 with many thousands of members, are not participating in this widely heralded "election" nor do those unless one to participate in any decision or action, or is governed by any declaration or action, of the Automobile Labor Board as now constituted. Due notice to this effect was officially given.

Due notice was also given by the automobile workers affiliated with the A. F. of L., through President Green, of the withdrawal of the automobile workers from the temporary agreement entered into in good faith last spring, in the hope that a sincere effort would be made to properly adjust the grievances of automobile workers.

While the alleged "election" is being pushed by Dr. Wolman, many of the workers are ignoring instructions of officials and "voting" for A. F. of L. affiliation, the number running from 5 per cent to 10 per cent of the total. Most of the workers are voting merely as "unaffiliated." Officials say that, at the proper time, it will be a very easy matter for automobile workers to demonstrate membership with legitimate labor unions affiliated with the American Federation of Labor.

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BOILER HEARING POSTPONED

Public hearing on proposed amendments to the boiler manufacturing code, originally scheduled to be held February 19, has been postponed until February 26, at 10 a. m., in the Washington Hotel, Washington, D. C.

Farm Equipment Code Extended

The NRA announced extension of the code for the farm equipment industry from February 1 to May 1, 1935. Extension of the code had been requested by the code authority.

Federal Transportation Co-Ordinator Recommends New Laws In Annual Report

Regulation Of Highway Motor Carriage And Dismissal Compensation For Employees Are Among Recommendations.

By A. F. of L. News Service.

Washington.—Harry B. Eastman, Federal Co-Ordinator of Transportation, in his annual report, has recommended the passage of several laws intended to be of benefit to the nation's system of transportation and to the workers employed in transportation.

Following are the proposed bills recommended:

1. A bill for the Federal regulation of highway motor carriers, wharfingers, in both interstate and foreign commerce, by the Interstate Commerce Commission.

2. A bill for the Federal regulation of highway motor carriers and brokers by the Interstate Commerce Commission.

3. A bill for the reorganization of the Interstate Commerce Commission, including the establishment of a Coordinator of Transportation.

4. A bill providing dismissal compensation for railroad employees displaced through coordination projects.

5. A bill for the revision of Section 77 of the bankruptcy Act relating to railroad bankruptcies and reorganizations.

6. Four bills amending the Interstate Commerce Act:

(a) To enable the Commission to prescribe minimums as well as maximums in rail-rate cases, and to establish through railroad routes regardless of the "short-hauling" of any carrier.

(b) To include ports and gateways in the protection of Section 3 against undue preference or prejudice.

(c) To provide for a right to substantially the form which it had prior to 1920.

(d) To limit further the right to reparation for damages due to violations of the Act.

The Commission's Position

The Commission endorses recommendations 1, 2, 5, and 6, except that two commissioners do not concur in 6 (c). The Commission expresses no opinion on 4. All but Commissioner Miller disapproves 3, for reasons fully stated in the letter of transmittal signed by the Chairman.

FORMER SENATORS WILL DEFEND LOW-WAGE BOSS

By A. F. of L. News Service.

York, Pa.—Fred C. Perkins, low-wage and long-hour employer of York, Pa., convicted of violating the labor section of the NRA code for the storage battery industry, is expected to have his case defended before the United States Supreme Court by former Senator David A. Reed of Pennsylvania, former Senator James A. Reed of Missouri, former Secretary of War Newton D. Baker, John W. Davis and Harold Beitler of Philadelphia, it was revealed by persons credited with inside information on this case. The lawyers will attack both the constitutionality of the National Recovery Act and the government's right to enforce the labor section of the code in question.

In prosecuting Perkins the government charged that he had paid wages as low as 16 cents an hour, although the code minimum was 40 cents. He was convicted on 10 cents and fined $1,500.

In defending Perkins, former Senator David A. Reed said the case "will be a test of the right of any citizen to run his own business. Think, of course, means the right of an employer to enforce low living standards upon his own helpless employees and thus, under the competitive system, compel other employers who pay higher wages to reduce the wages and their employes to the level fixed by their starvation-wage competitors.